

**STATE OF MINNESOTA
DEPARTMENT OF COMMERCE**

Bulletin 2007-8
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TO: Insurers writing private passenger vehicle insurance policies in Minnesota

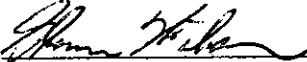
SUBJECT: The prohibition on surcharging an insured for private passenger vehicle insurance claims paid to the insured for losses suffered as a passenger in a bus, taxi, or commuter van involved in an accident; associated laws protecting insureds filing claims related to the I-35W bridge collapse

In 1997, the Minnesota State Legislature enacted MINN. STAT. § 65B.133, subd. 5a, which states: "No surcharge is chargeable to an insured who collects benefits under a [private passenger vehicle insurance] policy because the insured is a passenger in a bus, taxi, or commuter van involved in an accident." The term "surcharge" is defined broadly in MINN. STAT. § 65B.133, subd. 1(e): "'Surcharge' means any increase in premium for a policy, including the removal of an accident-free or claim-free discount, based upon an accident or a traffic violation."

In addition, according to MINN. STAT. § 72A.20, subd. 12(1), any insurer or agent who regularly misrepresents to insureds or other claimants the policy provisions related to certain types of coverage is engaging in an unfair, deceptive, and fraudulent business practice.

Simply put, the foregoing provisions from Chapters 65B and 72A mean: (1) an insurer cannot raise the cost of insurance when its insured receives payment for a claim resulting from being a passenger on a bus involved in an accident; and (2) an insurer cannot try to avoid payment for such a claim by stating or implying to the insured that collecting benefits for that type of claim would result in an increase in premium. This conduct is contrary to law and subject to the penalties available to the Commissioner in Chapter 45.

Associated laws were enacted in the 2007 Special Session to provide additional protections for insureds filing claims related to the I-35W bridge collapse. First, an insurer or agent may not state or imply to insureds "that filing a claim related to the I-35W bridge collapse for no-fault motor vehicle insurance benefits would or may result . . . in a surcharge or other future increase in premium rates, when any such consequence of filing the claim would be prohibited by law." Second, an insurer may not fail "to promptly inform an insured who files a claim related to the I-35W bridge collapse and described in section 65B.133, subdivision 5a, of the provisions of that law, both orally and in writing." These new laws will be codified respectively in MINN. STAT. §§ 72A.20, subd. 12(16) & 12(17).


Glenn Wilson
Commissioner of Commerce